

Written response to civil action 2015-CP-23-04368

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To whom it may Concern,

A little over a year ago I was going through some financial difficulties. I am a disabled military combat veteran and receive monthly disability compensation through the VA. I was approached by a company called VFG about possibly selling some of my disability payments for a lump sum of cash. At the time that sounded great and they made it very enticing indeed. They were represented by a firm known as Upstate Law Group. After all of the paperwork was completed (which I didn't fully understand), I was given a lump sum of roughly 15,000 dollars. I used this to pay bills and I in turn began giving a portion of my disability payments to the law firm. After a year and roughly 6,000 dollars paid, I realized that I had been scammed (see attached article). At that point I ceased to pay the monthly payment and began researching options. The complaint against me says that I received 49,000 dollars when in actuality I received 15,000 dollars roughly. I feel that myself and the investor were both scammed by VFG Vogager Financial Group. I am currently seeking legal representation to have this suit dismissed.

Michael R. Williams Jr.


8/3/2015

Veterans' benefits illegally sold as securities, investor says

A California man claims he and other investors were duped into illegally buying the rights to veterans' benefits through an Arkansas financial adviser firm.

According to a class action complaint filed by Lawrence Vicari in the U.S. District Court for the Central District of California, Voyager Financial Group LLC acts as a go-between for military beneficiaries and investors looking to purchase stable, guaranteed securities.

The Little Rock company allegedly solicits people receiving structured payments, pensions or disability income from the government. The beneficiaries — often former military members who were injured and require large amounts of money quickly — are offered a lump sum in exchange for the rights to some or all of their structured payments, in the form of securities, the complaint says.

The sellers assign Voyager the right to sell the securities. The firm then finds investors to buy these securities in the form of investment contracts, which it sells, often to retired people looking for secure, risk-free investments, Vicari alleges. Investors are told the transaction is completely above-board and risk-free, helps veterans, and is guaranteed for as long as the U.S. government remains solvent, the suit says.

The company then provides both sides with a contract agreeing to the exchange, according to the complaint. Investors pay Voyager directly and the company supposedly pays the sellers the lump sum.

The complaint does not specify how Voyager turns a profit in these deals, only that it "makes money" by selling securities in the form of contracts to receive veterans' benefits and other military structured payments.

There is only one hitch with the deal, Vicari says: It is illegal to assign government benefits to another party. Investors lost some or all of the funds they put toward the deal, and some of the payments to buyers have been stopped and cannot lawfully be resumed, the complaint says.

Vicari, who claims he paid more than \$62,000 for a \$90,000 contract to be paid out in 120 monthly installments, now claims Voyager and five officers violated Sections 10(b) and 20(a) of the Exchange Act by willfully defrauding investors who were unaware the investment was illegal.

The complaint alleges the defendants and their agents circulated materially false and misleading statements about the securities on websites to induce investors to enter into the illegal contracts and benefited from the sale of those securities.

The officer defendants, by virtue of their high-ranking status within the company, knowingly committed fraud because they could control and influence the content of those statements, according to the complaint.

Vicari additionally claims Voyager never registered the securities with the federal government, as required by law.

He is seeking class certification and compensatory damages in an amount to be proven at trial, as well as legal costs.

Vicari et al. v. Voyager Financial Group LLC et al., No. 2:13-cv-00671, complaint filed (C.D. Cal. Jan. 31, 2013).